



BOARD ACTION MEMORANDUM

TO: NCUA Board
DATE: January 3, 2018
FROM: Office of General Counsel
SUBJ: Part 709 – Involuntary Liquidation of Federal Credit Unions and Adjudication of Creditor Claims Involving Federally Insured Credit Unions in Liquidation

ACTION REQUESTED: Board approval to publish a Proposed Rule with request for comments concerning amendments to NCUA’s regulation regarding involuntary liquidation and creditor claim procedures.

DATE ACTION REQUESTED: January 25, 2018.

OTHER OFFICES CONSULTED: None.

VIEWS OF OTHER OFFICES CONSULTED: N/A.

SUBMITTED TO INSPECTOR GENERAL FOR REVIEW: Yes.

RESPONSIBLE STAFF MEMBERS: Senior Trial Attorney Ian Marenga.

SUMMARY: The proposed rule would amend NCUA’s regulation on involuntary liquidation to update and clarify the procedures that apply to claims administration for federally insured credit unions that enter involuntary liquidation. Specifically, the proposal would amend the current rule’s payout priority provision by specifying the conditions that claims in the nature of severance must meet to be allowed as provable claims. The proposed change regarding severance claims would clarify the application of NCUA’s regulation on golden parachute payments to severance claims submitted by employees of liquidated credit unions.

RECOMMENDED ACTION: Recommend the Board approve publication of the Proposed Rule with a 60-day comment period.

ATTACHMENT: Proposed Rule.